

**BOARD MEETING 6/17/97**

The meeting was opened by Ron Kirstien at 11:15a.m.

At that time each member was given a form with Account Information on it by Mr. McDonald. Each member took a Few minutes to review the information.

Mr. Kirstien wanted to know why Mr. McDonald's and Mrs. Robertson figures did not match?

Mr. Habeck explained to him that they have two different Systems, but each were effective.

Mr. McDonald's system keeps an accurate record on current As well as , open account for the proceeding month, Mrs. Robertson's records are of current accounts only, but at the End of the month the totals still match.

Mr. Kirstien wanted to know where the company stands With unpaid accounts?

Mr. McDonald stated that J.P. owes money for deductions But Mrs. Robertson states that they will have the situation Resolved in 2 weeks.

Mr. Habeck suggested that Mr. McDonald and Mrs. Robertson, clear up any problems with deductions immediately. Mr. Habeck also stated that the system of resolving accounts will not work effectively unless immediate attention is taken.  
\*NOTE: Equity has been positive all year.

**On Accounts Receivable**

Mr. Garcia formulated a plan that appears to be the best Thing since chips and salsa. Everyone agreed that the Information given to them on 6/17/97 by Mr. Garcia is to The companies advantage.

Diet To Go owes money to the company. Mr. McDonald Will try to retrieve .that money owed by the next meeting.

Tropical Foods owes 8,000.00

Mr. McDonald has sent out a collection Agent on this account



And will keep you informed on the progress.

Mr. Kirstien suggested that the company require  
A more extensive credit check for new accounts, to  
Help keep down the number of new delinquent accounts  
\*NOTE: At this time the company is making enough  
to operate effectively.

It was suggested that a proposal be done for each product,  
Just as Mr. Garcia has done in his plan.

It was recommended by Mr. Habeck that the company  
Adopt the plan brought to the board by Mr. Garcia.  
That was second by Mr. Rosthein and agreed upon  
By the remainder of the board member, with a show of  
Hands.

\*NOTE: Two weeks left in June and the company has  
Already equaled last year's sales.

Mrs. Robertson will have a report on Sedexho this week.  
Mr. Kirstien suggested to Jim that he have a sheet made  
Up with all lead times on it, so that Mrs. Robertson could  
Know how long it would take to produce a product at a  
Given time.

Mrs. Robertson is monitoring military volume of racks  
That are out, she will keep the board informed of the  
Progress. Mrs. Robertson is also working on the Edwards  
And King \_\_\_\_\_ Contracts she will have information as  
It becomes available.

Mr. Rosthstien made motion that Mrs. Robertson be given  
Authority to hire the person whom she has given each  
Board member a resume for. In the event that she secures  
The Edwards Account and the Military Account.  
The Motion Was second by Mr. Habeck and the other  
Members agreed with a show of hands.

Mrs. Robertson will go to Giant on Friday to talk with them  
About what kind of deal they can come to in regards to Chips  
And Packaging , but She and Mr. Garcia will Meet On  
Wednesday (6/18/97) to discuss details.

Mr. McDonald will send orders, invoices and check#'s

To Mrs. Robertson so she can have a copy in her file when Customers call.

\*NOTE: Prices will be the same for everyone, But the rebates will differ according to volume.

Mr. Garcia will have the complete RND on Flavored Chips On next week, and at the end of August on Rap.

Mr. Garcia is working on a system to prevent short orders He will keep the board informed on the progress.

Mr. Kirstien would like Mr. Garcia to make sure the Product Is consistent .

Whenever Mrs. Robertson adjust prices she should get the Board an explanation of how and why it was done.

Mr. Kirstien motioned for the meeting to be closed at 3:42p.m. Mr. Rothstien second the motion and it was agreed upon by All members with a show of hands.


THIS CONCLUDES THE NOTES FOR THE JUNE 17<sup>TH</sup>,  
1997 MEETING.



*Chef Garcia Mexican Foods, Inc.*

7608-A Fullerton Road • Springfield, VA 22153-2815  
Telephone (703) 455-0155 • Fax (703) 451-8917

To: Ron Kirstein

From: Jim Garcia 

Date: July 21, 1997

Re: Board Meeting

I understand Marjorie is in the hospital. I have listed some issues that need to be discussed. Most of them she would have to provide input or an answer. Should we wait until she is able to attend the meeting or do we wish to discuss these topics without her.

JP Foods

- Deductions

Alliant Foods

- Deductions

Giant Payables

- Mike Steckla is now walking invoice and support through the system

Sales budget for June 97

- Under budget by 160K for the year

Sales Department commitments without consulting the parties directly affected

Vacation

- Checks were left for emergencies
- I contacted the office at least once a day.

Samples

- Flavored tortillas were made for a presentation to Giant. They are still at the office.

Status of several projects

Commitment from Sedexho and Sysco

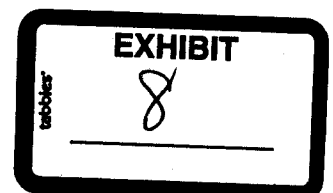
- We need to know the volume.

Contracts

- I request the board approve all contracts regardless of type

Shell ETD

- Customer Service



New Brokers Contracts

Excess inventory at Halperin

HP OfficeJet

Personal Printer/Fax/Copier

**Fax Log Report** for  
Chef Garcia Mexican Foods  
703 451-8917  
Jul-21-97 11:58 AM

---

**Last Fax**

<u>Identification</u>	<u>Result</u>	<u>Pages</u>	<u>Type</u>	<u>Date</u>	<u>Time</u>	<u>Duration</u>	<u>Diagnostic</u>
Ron Kirstein	OK	02	Sent	Jul-21	11:56A	00:00:43	0025c5030022

---

1.20 2.8

**FAXED**  
7-21-97  
1:05 PM AG

To: Randy Habeck

From: Jim Garcia

Date: July 21, 1997

Re: Deductions

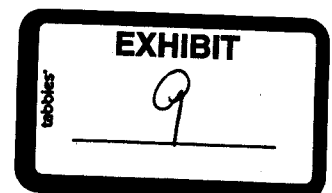
Find enclosed checks from Alliant, Giant, and JP; these are some examples of deductions taken:

- Alliant referenced 5,036.54 then deducted 4,171.86. We only received 17% of the invoices reference.
- Giant referenced 19,570.20 and deducted 16333.83 without providing proof of performance. That adds up to only 17% of the invoices referenced
- JP Foods referenced 3,759.70 and deducted 2,725.36. We do not have support for these deductions. Only 28% of the invoices referenced we received.

We cannot afford to sell the product at these percentages. Instead of selling the product for a profit, we are taking a loss. Please investigate these deductions they are still outstanding on our receivable report.

Thank you.

Cc: Ron Kirstien  
Harvey Rothstein  
Marjorie Robinson



**CHEF GARICIA BOARD MEETING 7/26/97**

**MEETING CALLED TO ORDER BY RON AT 8:26am**

**FINANCE:**

RANDY M. SENT THE BUDGET TO THE BOARD A FEW DAYS BEFORE THE MEETING. THERE IS AN ADVANTAGE TO HAVING THE BUDGET AHEAD OF TIME IN ORDER TO REVIEW IT BEFORE THE MEETINGS. THEREFORE, RANDY M. WILL CONTINUE TO SEND OUT THE BUDGETS A FEW DAYS BEFORE EACH MEETING.

THERE HAS BEEN A BIG FALL IN CHIP SALES. RANDY SUGGESTS THAT THE COMPANY COMES UP WITH AN AGGRESSIVE CHIP PROMOTION IN ORDER TO GET LONG TERM SALES ON CHIPS. THE IDEA OF CHIPS AND SALSA BEING SOLD TOGETHER WAS DISCUSSED. MARJORIE WILL LOOK INTO MAKING THIS IDEA A REALITY. THE BOARD CAN EXPECT FEEDBACK FROM HER ON THIS ISSUE IN THE NEAR FUTURE. THIS PLAN SHOULD GIVE US A MORE PRODUCTIVE RUN ON CONSECUTIVE SALES OF CHIPS AND SALSA.

**RECEIVABLES:**

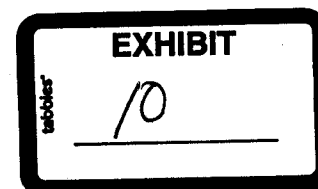
RON REQUESTS THAT MARJORIE CALL EACH COMPANY AND FIND OUT WHAT IS REQUIRED IN ORDER FOR TO HAVE OUR INVOICES PAID IN A TIMELY MANNER. HE SUGGESTS THAT A LIST OF THOSE THINGS REQUIRED IS FORMULATED AND FOLLOWED THROUGH WITH.

IT WAS BROUGHT TO THE BOARDS ATTENTION THAT MIKE WILL WALK THE INVOICE THROUGH THE PROCESS ON THOSE ACCOUNTS THAT WE ARE CURRENTLY HAVING PROBLEMS WITH.

RANDY H. SUGGESTS THAT WE MAKE OURSELVES A PRIORITY TO COMPANIES BY MAKING OUR PRESENCE KNOWN. THE WAY TO DO THAT IS TO VISIT THE COMPANIES ONCE A WEEK, MARJORIE WILL BE THE ONE TO DO THIS. SHE WILL UPDATE THE BOARD ON THE EFFECT THAT THIS STRATEGY HAS ON THE COMPANIES.

RANDY M., REMEMBER THAT INVOICE REGISTRIES WITH CHECK DEDUCTIONS NEED TO GO TO MARJORIE AS SOON AS THEY ARE RECEIVED IN ORDER FOR HER TO CLEAR UP THE SITUATION IMMEDIATELY.

RANDY H. SUGGESTS THAT RANDY M. FAX INVOICES TO THE COMPANIES INSTEAD OF MAILING THEM. THIS WILL HELP TO ADDRESS ANY PROBLEMS THAT THE COMPANY MAY HAVE AS WELL AS INSURE THAT THE INVOICE IS RECEIVED.





**SALES:**

RON WOULD LIKE MARJORIE TO FORMULATE A PLAN THAT WILL SHOW SALES PROJECTION FOR EXISTING COMPANIES AS WELL AS NEW CLIENTS TO COME. THE PLAN SHOULD BE DONE ON A QUARTERLY BASIS TO MAKE IT MORE SIMPLE.

DAN AND MARJORIE WILL BE MOVING INTO THE CHEF GARCIA OFFICE, IN ORDER TO CREATE A BETTER COMMUNICATION FLOW. MARJORIE WILL CONTINUE TO REPORT TO THE BOARD. YOU CAN EXPECT THIS CHANGE TO TAKE PLACE BY AUGUST 1ST, 1997.

**CONGRATULATION MARJORIE AND JIM ON THE SEDECOS ACCOUNT!**

**PRODUCTION:**

RANDY H. HAS SUGGESTED THAT JIM TAKE A NEW ATTITUDE ON KITCHEN PRODUCTION AND PREPARING FOOD BECAUSE OF THE LARGE VOLUME OF BUSINESS THAT'S ABOUT TO TAKE PLACE BECAUSE OF THE NEW ACCOUNTS. RANDY H. HAS ALSO SUGGESTED A WEEKLY PRODUCTION FORECAST MEETING.

JIM WOULD LIKE TO SEE AN ORDER DAY PUT INTO ACTION, WHERE PRODUCT WOULD BE SENT ONCE A WEEK ON A SPECIFIC DAY.

RANDY H. WOULD LIKE FOR JIM TO CHECK ON THE PRICE OF PACKAGING CHIPS. HE SUGGESTS 16 pack OF 12oz CHIPS PER BOX.

RANDY H. AND RICK WILL DO A COST REVIEW, YOU CAN EXPECT TO HEAR FROM THEM WITH THE RESULTS.

JIM PRESENTED A BUDGET FOR EACH ITEM SOLD IN THE PAST 6 MONTHS, AND EXPLAINED THAT MONEY IS BEING LOST. RON SUGGESTS THAT RANDY H. TAKE A CLOSE LOOK AT THE BUDGET AND GIVE THE BOARD SOME FEEDBACK AND SUGGESTIONS.

IT WAS BROUGHT TO THE BOARDS ATTENTION THAT THERE IS SEVERAL SMALL ACCOUNT THAT NEED TO BE REVIEWED IN ORDER TO DETERMINE THERE VALUES. MARJORIE WILL REVIEW THOSE ACCOUNTS AND GIVE HER RESULTS TO RON IN WRITING UPON COMPLETION.

**THE MEETING WAS ENDED AT 12:01pm BY RON**

THANK YOU ONCE AGAIN FOR ALLOWING ME THE OPPORTUNITY TO ATTEND YOUR BOARD MEETING (JENNIFER)

~~To:~~  
Chef Garcia Board  
(Per Randy McDonald)

From: Jennifer Graham

## MASON, KETTERMAN &amp; MORGAN

ATTORNEYS AT LAW

**A PROFESSIONAL ASSOCIATION**

SUITE 100  
1657 CROFTON BOULEVARD  
CROFTON, MARYLAND 21114

(410) 793-0504  
FAX (410) 793-0522

January 15, 1998

**FAXED**  
12:00 1-13

**IA FACSIMILE/MAIL**

10)244-0356

David F. Albright, Sr., Esquire  
Albright, Brown & Goertemiller  
120 East Baltimore Street  
Suite 2150  
Baltimore, Maryland 21202

Re: J. Jaime Garcia  
Elvira Garcia

➤ ➡ ➢ ➣ ➤ ➥ ➦ ➧ ➨ ➩ ➪ ➫ ➬ ➭ ➮ ➯ ➰ ➱ ➲ ➳ ➴ ➵ ➶ ➷ ➸ ➹ ➺ ➻ ➼ ➽ ➾ ➿ ➠ ➡ ➢ ➣ ➤ ➥ ➦ ➧ ➨ ➩ ➪ ➫ ➬ ➭ ➮ ➯ ➰ ➱ ➲ ➳ ➴ ➵ ➶ ➷ ➸ ➹ ➺ ➻ ➼ ➽ ➾ ➿

Dear David:

In securing the corporate offices of Chef Garcia Mexican Foods, a loaded handgun was discovered in a desk used by Jim Garcia, and was removed from the premises by the police. Accordingly, I have instructed the employees to box up the personal belongings and any apparently personal papers of either Mr. or Mrs. Garcia and to transport these items to my office in Crofton, where you may make arrangements for their retrieval. Under no circumstances will Mr. or Mrs. Garcia be allowed onto the premises of either manufacturing facility, given this latest discovery.

Very truly yours,

David J. Narvaez

David J. Norman

cc: Ronald D. Kirstien  
Harvey Rothstein  
Sandra L. Hughes, Esq.

c:\garcia\albright..4

## EXHIBIT

112

16,000.00  
+ 20% interest =  
20,000.00

**CRESTAR**

Crestar Financial Corporation  
Richmond, Virginia

68-186 / 514

4933736

MATCH THE AMOUNT IN WORDS WITH THE AMOUNT IN NUMBERS

**PAY ONLY** **SIX** **16,000.00**  
ONE SIX ZERO ZERO ZERO CTS

SN - 4933736 B-SARATOGA BRANCH T-4002

JUL 23 1997 ■ SIXTEEN THOUSAND DOLLARS AND 00 CENTS  
\$16,000.00

Pay To The Order of **\*\*\* CHEF GARCIA MEXICAN FOODS \*\*\***

PURCHASER:  
ELVIRA GARCIA

**CASHIER'S CHECK**

VOID OVER \$16,000.00

NON-NEGOTIABLE

**EXHIBIT**

113

**DEPOSIT SLIP**

**First National Bank of Maryland**  
BALTIMORE, MARYLAND

PLEASE BE SURE THAT ALL FIGURES ARE PROPERLY INDICATED. CHECK SEPARATELY.  
Checks and other items are received for deposit subject to the provisions of the Uniform Commercial Code. We are not responsible for collection of checks. CHECKS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.

DATE 7-23-97

Cashiers ck  
Continental  
Pastores  
Atlanta

CHEF GARCIA, INC.  
OPERATING ACCT.

DEPOSIT TO ACCOUNT OF:



	DOLLARS	CENTS
CURRENCY		
COIN		
CHECKS		
68-186	16,000	00
66-156	880	00
7-7120	1,005	70
68-7270	9313	36
68-32	162	47

**First National Bank of Maryland**

Deposits may not be available for immediate withdrawal

BS 0991-A 9/410



**TRANSACTION RECEIPT**

CARDHOLDER IDENTIFICATION		
CARDHOLDER STREET ADDRESS 8118 Northumberland Rd		
CITY Springfield	STATE Va	ZIP CODE 22153
IDENTIFICATION (G.O. DRIVER'S LIC. NO. ETC.) DL 552 066774		PRINTED 4 DIGITS (VISA ONLY) 5424
DATE 7/23/97	AUTHORIZATION 305895	
REFERENCE NO.	TELLER 5141	BRANCH 27051
  CUSTOMER COPY		TOTAL 3000
CASH DISBURSEMENT DRAFT		

IMPORTANT:  
RETAIN THIS COPY  
FOR YOUR RECORDS.

CARDHOLDER IDENTIFICATION		
CARDHOLDER STREET ADDRESS 8118 Northumberland Rd		
CITY Springfield	STATE Va	ZIP CODE 22153
IDENTIFICATION (G.O. DRIVER'S LIC. NO. ETC.) DL 552 066774		PRINTED DIGITS 11/30/90
DATE 7/23/97	AUTH. NO. 07723/97	
TELLER 001		BRANCH 1530
Cardholder agrees to pay the total of funds in the amount of the Total hereon and agrees to perform the obligations set forth in the Cardholder agreement with the Issuer.		
CARDHOLDER SIGNATURE & TIME X [Signature] 7/23/97		TOTAL 11:20
BUSINESS DATE: 7/23/97		SEQ: 157
CASH DISBURSEMENT DRAFT		3,000.00

IMPORTANT:  
RETAIN THIS COPY  
FOR YOUR RECORDS.

CARDHOLDER ADDRESS		
STREET 8118 NORTHUMBERLAND RD		PRINTED DIGITS 5309
CITY SPRINGFIELD	STATE VA	ZIP CODE 22153
IDENTIFICATION	TELLER 0723	AUTHORIZATION 5750109
DATE 7/23/97	DRIVER'S LICENSE NO. VA 552 066774 11/90	
CASH ADVANCE/ CASH DISBURSEMENT DRAFT		AMOUNT ADVANCED 10,000.00
  7561542		

IMPORTANT: RETAIN THIS COPY FOR YOUR RECORDS

CUSTOMER COPY